

Meeting Summary
Motor Vehicle Dealer Board
Monday, January 8, 2018

Vice-Chairman Ron Kody called the Dealer Board meeting to order at 11:15 a.m. in Room 702 of the DMV Headquarters Building at 2300 West Broad Street in Richmond. The roll was called and there were 13 Board members present. Present were Cody Arnett, Ted Bailey, Dan Banister, Michael Bor, Liza Borches, Gardner Britt, Steve Farmer, David Gripshover, Chris Maher, Senior Saghafi, Maurice Slaughter and Joe Tate. (Absent: Rick Holcomb, David Duncan, Rob Fisher, Randy Harris, Geoff Malloy, Matt McQueen). Executive Director William Childress, Peggy Bailey, Prin Cowan, Lisa Mack-Nelson, Ann Majors and Wanda Neely represented the Dealer Board. Christian Parrish represented the Attorney General's Office. Alice Weedon was the recording secretary.

Before the Full Board addressed the agenda before them, Ron Kody presented Dan Banister with his certificate of appointment and pin. Mr. Banister was appointed to the Board in December 2017. Mr. Banister's appointment is effective until June 30, 2019.

PUBLIC COMMENT

There was no public comment.

The November 13, 2017 meeting summary was approved.

STATUTORY COMMITTEE REPORTS

Dealer Practices Committee:

Committee Chairman Ron Kody summarized discussions held and actions that were taken during the Committee Meeting.

Great Affordable Autos, LLC and Michael J. Mezo – Chris Maher made the following amended motion: The Board has reviewed and considered the facts and evidence and the report of an informal fact finding conference as prepared by the hearing officer concerning Great Affordable Autos LLC and Michael J. Mezo for alleged violations of Va. Code sections §46.2-1533, and 46.2-1575 (2). Based on due consideration, the Board believes that the following actions should be taken against Great Affordable Autos LLC and Michael Mezo: Assessed a civil penalty of \$ 1,000.00 and Great Affordable Autos shall be inspected by a Motor Vehicle Dealer Board field representative by July 8, 2018 and that inspection shall be satisfactory. The Board mandates that Michael J. Mezo hereby be assessed a civil penalty of \$1,000, and the Great Affordable Autos LLC dealership shall satisfactorily pass an inspection conducted by a Motor Vehicle Dealer Board field representative on or before July 8, 2018. The Board that failure to pass the inspection by July 8, 2018 will result in suspension of all licenses and certificates issued by the Board until such time Great Affordable LLC and Michael J. Mezo complies with the Board's mandates.

Joe Tate seconded. The motion carried unanimously.

NOTE: The original motion was made by Ron Kody to assess a civil penalty of \$750 and it was seconded by David Gripshover. After some general discussion, Chris Maher amended the motion to a higher civil penalty.

Hertz Car Sales and Mark Frissora – Committee Chairman Kody made the following motion: The Board has reviewed and considered the facts and evidence and the report of an informal fact finding conference as prepared by the hearing officer concerning Hertz Car Sales and Mark Frissora for alleged violations of Va. Code sections §46.2-1537. Based on due consideration, the Board believes that the following actions should be taken against Hertz Car Sales and Mark Frissora: Assessed a civil penalty of \$1,000.00; and the Board mandates that Hertz Car Sales and Mark Frissora hereby be assessed a civil penalty of \$1,000.

Mr. Richard Boblits spoke on behalf of Hertz Car Sales.

Michael Bor seconded. All in favor: 11 (Tate, Arnett, Bailey, Banister, Bor, Borches, Farmer, Gripshover, Maher, Saghafi and Slaughter). Opposed: 2 (Britt and Kody). The motion carried.

Licensing Committee

Committee Chairman Joe Tate summarized discussions held and actions that were taken during the Committee Meeting.

Matthew Sicurella, Sr., Sales Applicant – Committee Tate made the following motion: The Board has reviewed and considered the facts and evidence and the report of an informal fact finding conference as prepared by the hearing officer concerning Matthew S. Sicurella, for alleged violations of Va. Code section §46.2-1575 (13). Based on due consideration, the Board believes; the following actions shall be taken against Matthew S. Sicurella: Denial of Salesperson application. The Board mandates that Matthew S. Sicurella, hereby is denied a salesperson license application.

Chris Maher seconded. The motion carried unanimously.

William M. Edwards, III, Sales Applicant – Committee Chairman Tate made the following motion: The Board has reviewed and considered the facts and evidence and the report of an informal fact finding conference as prepared by the hearing officer concerning William M. Edwards, II, for alleged violations of Va. Code section §46.2-1575 (13). Based on due consideration, the Board believes the following actions shall be taken against William M. Edwards, II; Allowed to apply for a salesperson license. The Board mandates that William M. Edwards, II, hereby is allowed to apply for a salesperson license.

Steve Farmer seconded. The motion carried unanimously.

Matthew R. Bell, Sales Applicant – Committee Chairman Tate made the following motion: The Board has reviewed and considered the facts and evidence and the report

of an informal fact finding conference as prepared by the hearing officer concerning Matthew R. Bell, for alleged violations of Va. Code section §46.2-1575 (13). Based on due consideration, the Board believes the following actions shall be taken against Matthew R. Bell; Denial of Salesperson application. The Board mandates that Matthew R. Bell hereby is denied a salesperson license application until his probation period is completed.

David Gripshover seconded. The motion carried unanimously.

Shawn Lee Dao, Sales Applicant – Committee Chairman Tate made the following motion: The Board has reviewed and considered the facts and evidence and the report of an informal fact finding conference as prepared by the hearing officer concerning Shawn Lee Dao, for alleged violations of Va. Code section §46.2-1575 (13). Based on due consideration, the Board believes the following actions shall be taken against Shawn Lee Dao; Allowed to apply for a salesperson license. Shawn Lee Dao and all future employers shall submit an affidavit to the Board. The Board will approve Shawn Lee Dao's application for a salesperson license and mandates that he and all future employers complete and submit an affidavit to the Board before a license will be issued or transferred.

David Gripshover seconded. The motion carried unanimously.

Advertising Committee

Vice-Committee Ted Bailey summarized discussions held and actions taken during the Committee Meeting.

Motion was made by Ted Bailey that this reconditioning fee (any fee not authorized by §46.2-1581(8)) has to be a part of the purchasing price. If violated, the issue will be handled with priority. Violation will result in a 1st warning, 2nd \$1,000 civil penalty and 3rd bring the dealer before the Board (through normal informal fact-finding conference process). David Gripshover seconded. The motion carried unanimously.

Transaction Recovery Fund Committee:

Committee Chair Chris Maher summarized discussions held and actions that were taken during the Committee Meeting.

Nicole Lawrence-Brown vs. Auto Liberty of Arlington – Committee Chairman Maher summarized for the Board the discussion held in the committee meeting regarding Nicole Lawrence-Brown vs. Auto Liberty of Arlington. Based on that discussion and the recommendations in this case, Committee Chair Maher made the following motion: pursuant to Section §46.2-1527.1 et seq. of the Code of Virginia, which is known as the Motor Vehicle Transaction Recovery Fund ("Fund"), the Board has reviewed and considered claims submitted for payment from the Fund, and the recommendation of

the Hearing Officer on the claim. Based on due consideration and recommendation of the Hearing Officer, the Board believes the following claims should be payable from the Fund:

Nicole Lawrence-Brown vs. Auto Liberty of Arlington. \$13,500.00

Steve Farmer seconded. The motion carried unanimously.

Kentory Bromley vs. Premium Auto Collection. - Committee Chairman Maher summarized for the Board the discussion held in the committee meeting regarding Kentory Bromley vs. Premium Auto Collection. Based on that discussion and the recommendations in this case, Committee Chair Maher made the following motion: pursuant to Section §46.2-1527.1 et seq. of the Code of Virginia, which is known as the Motor Vehicle Transaction Recovery Fund (“Fund”), the Board has reviewed and considered claims submitted for payment from the Fund, and the recommendation of the Hearing Officer on the claim. Based on due consideration and recommendation of the Hearing Officer, the Board believes the following claims should be payable from the Fund:

Kentory Bromley vs. Premium Auto Collection
\$6,140.00

Dan Banister seconded. The motion carried unanimously.

OLD BUSINESS

JTZ Application – William Childress – John Summer submitted his application to become a dealer operator recertification vendor during the November 2017 Board meeting. The Board tabled approval of JTZ’s application pending a review of their application by Board staff. William informed the Board that staff had reviewed JTZ’s application and found it to be in accordance with all statutory requirements. William recommended to the Board that they approve JTZ’s application to be a dealer operator recertification vendor.

Motion was made by Gardner Britt for JTZ to become a Dealer Operator Recertification Testing vendor. Joe Tate seconded. The motion carried unanimously.

William Childress updated the Board regarding the 4 advertising guidelines that were discussed during the November 2017 Board meeting. Those guidelines have sense been reviewed and tweaked by Christian Parrish (AG’s Office) and need to be approved by the Board. During the November 2017 Board meeting, the acceptance of the 4 guidelines was not properly seconded, therefore requiring the Board to act on this matter.

Advertising Guidelines:

1. Freight Charges
2. Transfer Fees

3. Advertising – Vehicle Location
4. Removal of Inventory from Dealer’s Website

Motion was made by Joe Tate to approve the advertising guidelines. Steve Farmer seconded. The motion carried unanimously.

OLD BUSINESS FROM THE FLOOR

There was no old business from the floor.

NEW BUSINESS

Counterfeit Checks – Robert Stone – Special Agent Robert Stone, DMV Law Enforcement Division briefed the Board on a sophisticated cashier’s check scam that operated in approximately 13 states across the country, from Washington to Virginia. This scam robbed dealers of new and used vehicles and in some cases, involved unsuspecting innocent bystanders who were paid a fee to assist the scammers in titling the vehicles. The scammers were captured and this matter is going through the legal process.

EXECUTIVE DIRECTOR’S REPORT: William Childress

1. Present 2018 Board Meeting Schedule – William presented the dates for the calendar year 2018. November 12th is the observed Veteran’s Day holiday and happens to be the 2nd Monday of the month. When it gets closer to that particular Board meeting; the members will discuss and determine what day the Board meeting will be conducted on, either November 13 or the following Monday week, November 19, 2018. It was also noted that the May 2018 date was incorrect and it has been corrected, the Board will meet on May 14, 2018.
2. Conflict of Interest – all Board members should have received their conflict of interest forms and should be in the process of getting them returned to DMV.
3. In order to prepare the staff and dealer community, implementing the 4 approved advertising guidelines and the new process for violators of §46.2-1533 (passed in November 2017 meeting) will take place on or about March 1, 2018. Staff will notify the dealer community through Dealer Talk and constant contact, and other sources if necessary.

NEW BUSINESS FROM THE FLOOR

There was no new business from the floor.

The next meeting will be scheduled for March 12, 2018.

There being no further business to come before the Motor Vehicle Dealer Board, Vice-Chairman Kody adjourned the meeting at 12:07 p.m.

Meeting Summary
Dealer Practices Committee
Monday January 8, 2018

Chairman Ron Kody called the Dealer Practices Committee meeting to order at 9:02 a.m. in Room 702 of the DMV Headquarters Building at 2300 W. Broad Street in Richmond. Present were Committee members Cody Arnett, Michael Bor, Liza Borches, Gardner Britt, Steve Farmer, Chris Maher, Senior Saghafi and Joe Tate. (Absent: Robert Fisher, Geoff Malloy and Matt McQueen). Other Board members present: Ted Bailey, Dan Banister, David Gripshover and Maurice Slaughter. Executive Director William Childress, Peggy Bailey, Prin Cowan, Lisa Mack-Nelson, Ann Majors and Wanda Neely represented the Dealer Board. Christian Parrish represented the Attorney General's office.

Before the Dealer Practices Committee meeting started, Mr. Kody informed everyone that Jeanne Carretto had recently passed. Jeanne was a hearing officer for the Motor Vehicle Dealer Board for the past 7 years and she will be missed. Mr. Kody asked for a moment of silence in honor of Mrs. Carretto.

Ron Kody introduced the two new Board members, Cody Arnett (Tesla) and Randy Harris (Ultimate Buick and Ultimate Subaru). Mr. Arnett was able to attend the meeting; Mr. Harris was unable to attend due to previous commitments.

The November 13, 2017 meeting summary was approved.

PUBLIC COMMENT

There was no public comment.

OLD BUSINESS FROM THE FLOOR

There was no old business from the floor.

NEW BUSINESS

Review and Action: Informal Fact-Finding Conferences:

Great Affordable Autos, LLC and Michael J. Mezo - On October 30, 2017, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-1533 and 1575 (2). Based on the information provided at the conference, the hearing officer recommended assessing a civil penalty of \$750 and a satisfactory inspection.

Motion was made by Joe Tate to accept the hearing officer's recommendation of assessing a civil penalty of \$750 and a satisfactory inspection. Steve Farmer seconded. All in favor: 8 (Arnett, Bor, Borches, Britt, Farmer, Maher, Saghafi, Tate). Opposed: 1 (Kody). The motion carried.

Hertz Car Sales and Mark Frissora - On November 20, 2017, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2- 1537. Based on the information provided at the conference, the hearing officer recommended the Board assess a civil penalty of \$1,000.

Richard Boblites spoke on behalf of Mark Frissora and Hertz Car Sales.

Motion was made by Chris Maher to accept the hearing officer's recommendation of assessing a civil penalty of \$1,000. Michael Bor seconded. All in favor: 7 (Arnett, Bor, Borches, Farmer, Maher, Saghafi, Tate). Opposed: 2 (Britt, Kody). The motion carried.

NEW BUSINESS FROM THE FLOOR

There was no new business from the floor.

The next meeting was scheduled for March 12, 2018

The meeting adjourned at 9:17 a.m.

Meeting Summary
Dealer Licensing Committee
Monday, January 8, 2018

Chairman Joe Tate called the Dealer Licensing Committee meeting to order at 9:18 a.m. in Room 702 of the DMV Headquarters Building at 2300 West Broad Street in Richmond. Present were Committee members Ted Bailey, Dan Banister, Liza Borches, David Gripshover, Senior Saghafi and Maurice Slaughter. (Absent: David Duncan, Rob Fisher, Randy Harris). Other Board members present: Michael Bor, Steve Farmer, Ron Kody, Chris Maher, Gardner Britt, Cody Arnett. Executive Director William Childress, Peggy Bailey, Lisa Mack-Nelson, Prin Cowan, Ann Majors and Wanda Neely represented the Dealer Board. Christian Parrish represented the Attorney General's office.

The November 13, 2017 meeting summary was approved.

PUBLIC COMMENT

There was no public comment.

OLD BUSINESS

There was no old business.

OLD BUSINESS FROM THE FLOOR:

There was no old business from the floor.

NEW BUSINESS

Review and Action: Informal Fact-Finding Conferences:

Matthew Sicurella, Sales Applicant - On November 7, 2017, an informal fact-finding conference was conducted to address the alleged violations of VA Code Section 46.2-1575(13). Based on the information provided at the conference, the hearing officer recommended denial of a sales license for Mr. Sicurella.

Motion was made David Gripshover to accept the hearing officer's recommendation by denial of a sales license for Mr. Sicurella. Ted Bailey seconded. The motion carried unanimously.

William M. Edwards, III, Sales Applicant - On October 25, 2017, an informal fact-finding conference was conducted to address the alleged violations of VA Code Section 46.2-1575 (13). Based on the information provided at the conference, the hearing officer recommended approval of a sales license for Mr. Edwards. Mr. Edwards was present and spoke on his own behalf.

Motion was made by David Gripshover to accept the hearing officer's recommendation for the approval of a sales license for Mr. Edwards. Ted Bailey seconded. The motion carried unanimously.

Mr. Matthew R. Bell, Sales Applicant – On October 25, 2017, an informal fact-finding conference was conducted to address the alleged violations of VA Code Section 46.2-1575(13). Based on the information provided at the conference, the hearing officer recommended approval of a sales license for Mr. Bell.

Mr. Bell was present and spoke on his own behalf.

Motion was made by David Gripshover to accept the hearing office's recommendation for the approval of a license for Mr. Bell. No seconded. The motion died for a lack of a second.

Motion was made by Liza Borches to deny a sales license to Mr. Bell, at least until the end of his probation period. Maurice Slaughter seconded. All in favor: 5 (Tate Bailey, Banister, Borches, Slaughter). Opposed: 2 (Gripshover and Saghafi). The motion carried.

Mr. Shawn Lee Dao, Sales Applicant – On December 4, 2017, an informal fact-finding conference was conducted to address the alleged violations of VA Code Section 46.2-1575(13). Based on the information provided at the conference, the hearing officer recommended approval of a sales license for Mr. Dao.

Mr. Dao was present and spoke on his own behalf.

Motion was made by David Gripshover to grant a license with the stipulation that his employer notify the Board when he leaves or is terminated. Senior Sagahfi seconded. All in favor: 5 (Tate, Banister, Borches, Gripshover, Saghafi). Opposed: 2 (Bailey and Slaughter). The motion carried.

NEW BUSINESS FROM THE FLOOR

There was no new business from the floor.

The next meeting was scheduled for March 12, 2018

The meeting adjourned at 9:47 a.m.

Meeting Summary
Advertising Committee
Monday, January 8, 2018

Vice-Chairman Ted Bailey called the Advertising Committee meeting to order at 9:48 a.m. in Room 702, DMV Headquarters, 2300 West Broad Street, Richmond, Virginia. Present were Committee members Cody Arnett, Dan Banister, Michael Bor, Liza Borches, Ron Kody, David Gripshover and Maurice Slaughter. (Absent: David Duncan, Geoff Malloy and Matt McQueen). Other Board members present: Senior Saghafi, Steve Farmer, Joe Tate, Chris Maher, Gardner Britt. Executive Director William Childress, Peggy Bailey, Lisa Mack-Nelson, Prin Cowan, Ann Majors and Wanda Neely represented the Dealer Board. Christian Parrish represented the Attorney General's office.

The November 13, 2017 meeting summary was approved.

PUBLIC COMMENT

There was no public comment.

OLD BUSINESS

There was no old business.

OLD BUSINESS FROM THE FLOOR

There was no old business from the floor.

NEW BUSINESS

Reconditioning Fee – William Childress informed the committee that it was recently brought to his attention that some Virginia dealers are disclosing an additional fee in their advertisements called a Reconditioning Fee. William further explained that Virginia law requires that the advertised price includes all cost/fee with the exception of the processing fees, DMV fees, and freight/shipping charges. However, if the advertise price excludes the processing fees and freight/shipping charges, those fees must be disclosed in the ad. William added that administrative actions were being taken against the violators in accordance to the Board's established processes.

The committee engaged in a spirited and robust discussion regarding this matter that included participation from the VADA representatives and other non-committee Board members. At the heart of the conversation was the need to take swifter and harder actions against violators of this deceptive practice.

Motion was made by Ron Kody, that when dealers advertising a Reconditioning Fee, the process is 1st a written warning, 2nd \$1,000 civil penalty and 3rd, bring the dealer before the Board. Michael Bor seconded. The motion carried unanimously. It was also clarified that if you advertise this fee and you sell multiple vehicles with this fee, each vehicle sold with this fee is a separate violation, and subject to appear before the Dealer Practices committee for each vehicle sold, and before the Advertising committee for the deceptive and misleading advertisement.

NEW BUSINESS FROM THE FLOOR

There was no new business from the floor.

The next meeting was scheduled for March 12, 2018.

The meeting adjourned at 10:28 a.m.

Meeting Summary
Transaction Recovery Fund Committee
Monday, January 8, 2018

Chairman Chris Maher called the Transaction Recovery Fund Committee meeting to order at 10:28 a.m. in Room 702 of the DMV Headquarters Building at 2300 West Broad Street in Richmond. Present were Committee members: Dan Banister, Michael Bor, Steve Farmer, David Gripshover, Ron Kody and Maurice Slaughter. (Absent: Rob Fisher and Matt McQueen) Other Board members present: Senior Saghafi, Joe Tate, Gardner Britt, Cody Arnett, Ted Baily, Liza Borches, Dan Banister. Executive Director William Childress, Peggy Bailey, Lisa Mack-Nelson, Prin Cowan, Ann Majors and Wanda Neely represented the Dealer Board. Christian Parrish represented the Attorney General's office.

The November 13, 2017 meeting summary was approved.

PUBLIC COMMENT

There was no public comment.

OLD BUSINESS

There was no old business.

OLD BUSINESS FROM THE FLOOR

There was no old business from the floor.

NEW BUSINESS

Review and Action: Informal Fact-Finding Conferences:

Nichole Lawrence-Brown vs. Auto Liberty of Arlington - On December 18, 2017, an informal fact-finding conference was conducted to address the alleged violation of VA Code Section 46.2-1527.3 against Auto Liberty of Arlington. Based on the information provided at the conference, the hearing officer recommended that the Board pay \$13,500 to Ms. Lawrence-Brown from the Transaction Recovery Fund.

Motion was made by Steve Farmer to accept the hearing officer's recommendation that the Board pay \$13,500 to Ms. Lawrence-Brown. Michael Bor seconded. The motion carried unanimously.

Kentory Bromley vs. Premium Auto Collection - On December 27, 2017, an informal fact-finding conference was conducted to address the alleged violation of VA Code Section 46.2-1527.3 against Premium Auto Collection. Based on the

information provided at the conference, the hearing officer recommended that the Board pay \$6,140 to Ms. Bromley from the Transaction Recovery Fund. It was also recommended that Premium Auto Collection should have an inspection as soon as practical, with attention to records, titles and documents.

Lee Arzt, Esquire, attorney for Mr. Cleveland Senn (co-owner of Premium Auto Collection at the time of the sale of the vehicle to Ms. Bromley), spoke on behalf of his client.

Johnathan Wright, part of owner of Premium Auto Collection, was present and spoke on his own behalf.

Motion was made by David Gripshover to accept the hearing officer's recommendation that the Board pay \$6,140 to Ms. Bromley. Michael Bor seconded. The motion carried unanimously.

NEW BUSINESS FROM THE FLOOR

There was no new business from the floor.

The next meeting was scheduled for March 12, 2018

The meeting adjourned at 11:04 a.m.